REMARKS

This paper responds to the Office Action mailed on April 1, 2009. Claims 1-3, 5-7, 9, 11, 13, 15, 16, and 22 are amended; claims 4 and 8 are canceled. Consequently, claims 1-3, 5-7, and 9-22 are now pending in this application.

§ 101 Rejection of the Claims

Claims 1-22 were rejected under 35 U.S.C. § 101 as allegedly directed to non-statutory subject matter. Specifically, with regard to claim 1, the Examiner stated,

> In this particular case, claim 11 [*sic*] fails prong (1) because the method steps are not tied to a machine and can be performed without the use of a particular machine. Additionally, the claim(s) fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing. (*Office Action* at 3-4.)

Applicants respectfully disagree with the Examiner's characterization of the claims. Each of the claims is directly tied to specific machines. For example, Applicants' claim 1 recites, *inter alia*,

> receiving the account identifier *at a data receiving unit of a verification system*;
>
> determining a reliability indicator of at least one stored personal detail associated with the chargeable account, the at least one stored personal detail usable to verify at least one candidate personal detail, the reliability indicator determined based on at least one of a time the at least one stored personal detail was received, the identification procedure performed upon receipt of the at least one stored personal detail, and the degree of personal exposure of an entity submitting the at least one stored personal detail, *the at least one stored personal detail retrieved from an account database*; and
>
> *from the verification system*, providing the reliability to a user. (Emphasis added.)

Thus, nearly every element of claim 1 refers to a system (e.g., a verification system). Support for the hardware component of the claims is readily found in Applicants' specification. For example,

> A Data Receiving Unit 30 receives an account identifier and optionally candidate personal details from an entity outside of the Verification System 104. In particular embodiments, this entity is the Seller 102. The Data Output Unit 32 outputs the at least one reliability indicator, and optionally comparison results and optionally one or more stored personal details. It is noted that data may enter or leave the Verification System 104 through any applicable medium, such as a private data network, the Internet, IVR, modem etc.

> In the embodiment shown in Fig. 4, the Reliability Indicator Provider 40 retrieves at least one reliability indicator and optionally stored personal details, by connecting to Account Database 38. In one particular embodiment, the account database is a relational database such as those available from Microsoft (Redmond, Washington) or Oracle (Redwood Shores, Ca). (Specification at paragraphs 4-5 of page 11.)

Therefore, contrary to the Examiner's assertion that "the method steps are not tied to a machine and can be performed without the use of a particular machine" (*Office Action* at 3), ample support is found in Applicants' specification that the claimed systems do comprise hardware.

Regarding claim 16, the second element is amended to recite, *inter alia*, "a computer-readable storage medium having instructions stored thereon, the instruction executable by a processor for implementing a reliability indicator provider...." As such, claim 16 is directed to "a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory." *Office Action* at 4.

Since Applicants have shown that the independent claims 1 and 16 are each tied to a machine, Applicants request the Examiner remove the rejection under 35 U.S.C. §101 with reference to claims 1 and 16 and all claims that depend therefrom.

§ 112 Rejection of the Claims

Claims 1-22 were rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite. Regarding the rejection of claims 1, 9, and 16, the Examiner objected to the use of the term, "estimated likelihood," as being indefinite because it is a relative term. The term has been removed from the claims. As such, claims 1, 9, and 16, and the claims that depend therefrom, are definite.

Regarding claims 5-9, the Examiner rejected each as requiring subjective judgment. Claim 8 is canceled. Claims 5-7 and 9 have been amended to expedite prosecution and/or to clarify the claims such that subjective judgment is not required. Applicants aver that no new matter has been added by these amendments. For example, claim 5 is supported at least by page 10 at lines 5-8 and 27-32 of the *Specification*; claim 6 is supported at least by page 7, lines 3-6 and original claim 8 of the *Specification*; claim 7 is supported at least by page 7, lines 3-6 of the *Specification*; and claim 9 is supported at least by page 4, lines 21-26 of the *Specification*.

Regarding claim 16, the Examiner rejected the element "indicating an estimated likelihood that at least one stored personal detail associated with the chargeable account was submitted fraudulently" as allegedly indefinite. Claim 16 has been amended to remove portions of the rejected element to provide clarity and to expedite prosecution.

Regarding claim 20, the term "reliability detector" is replaced with "reliability indicator" to expedite prosecution.

The remaining claims were rejected as being dependent from claims 1 or 16. As the rejections of claims 1 and 16 are believed to be overcome, Applicants respectfully request the withdrawal of these rejections as well.

§ 102 Rejection of the Claims

Claims 1-9 and 11-22 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,714,918 to Hillmer et al. (*Hillmer*). Claims 1 and 16 are amended to include the elements of now canceled claim 4. In the rejection of claim 4, the Examiner alleged that *Hillmer* states that the reliability is based on:

> at least one piece of information selected from the group consisting
> of a time at least one said stored personal detail was received, the

identification procedure performed upon receipt of at least one said stored personal detail, and the degree of personal exposure of an entity submitting at least one said stored personal detail

at Col. 9, line 21 to Col. 10, line 48. *Office Action* at 8 (paragraph 27). A closer reading of *Hillmer* indicates that *Hillmer* teaches assigning points "to a particular transaction parameter … dependent on the values of one or more other transaction parameters." Col. 9, lines 21-23.

Examples of transaction parameters disclosed in *Hillmer* are shown in Table 1.0 which includes:

TABLE 1.0

TRANSACTION PARAMETER	POINTS
Positive Database match	−5.00
Negative Database (this vendor) match	+10.00
Negative Database (other vendor) match	+8.50
Not shipping to card holder address	+0.50
Shipping to card holder address	−1.00
Not shipping to customer address	+0.50
Shipping to customer address	−1.00
Shipping to Freight forwarder	+1.00
Third party address verification (AVS) ok	−1.00
Third party address verification (AVS) partial ok	+2.50
Third party address verification (AVS) not ok	+5.00
Customer Svc. Rep. Suspects fraud	+5.00
High risk zip code	+1.50
Telephone order	+0.25
Total transaction amount	+0.50/$100
Air shipment	+0.50
Customer duration	−0.05/year
Customer status − excellent	−1.00
Customer status = good	−0.25
Customer status = fair	+0.25
Customer status = poor	+1.00
Credit card amount velocity exceeded	+0.50
Credit card count velocity exceeded	+0.50
Customer amount velocity exceeded	+0.25
Customer count velocity exceeded	+0.25
Ship-to-address amount velocity exceeded	+0.50
Ship-to-address count velocity exceeded	+0.50
Card Verification Value (CVV2) mismatch	+0.50
Card Verification Value (CVV2) match	−1.00

None of these transaction parameters depend on "one piece of information" that is one of "a time at least one said stored personal detail was received, an identification procedure performed upon receipt of at least one said stored personal detail, or a degree of personal exposure of an entity submitting at least one said stored personal detail" as recited in amended claim 1. Instead of making a determination based on how the verifying information was originally received or

submitted, the transaction parameters are based on other pieces of information about the customer, how the order was placed, or where the order will be shipped.

The Examiner also referred to using a "negative database" of *Hillmer* that

> are updated by the participating vendors …with transactions … which are verified by the vendor … as being fraudulent. Records are removed from the negative databases … when it is determined that the fraudulent indicativeness of the stored information is no longer accurate. In one embodiment, this occurs only after a manual review indicates that the record was entered into the negative databases in error or the customer's or address' fraudulent status has changed. The customer's fraudulent status may change, for example, after a specified time period has elapsed in which there has been no further fraudulent activity by that customer. An address' fraudulent status may change if it is determined that the previous occupants, who perpetrated the original fraud, have moved and new customers now live at the address. In alternative embodiments, records are removed from the negative databases … automatically based on predetermined rules such as a defined period of non-fraudulent activity or through a combination of automated processes and manual review. (Col. 10, lines 28-48.)

Hence, while some fraudulent data may be removed based on a period of time since it was received, there is still no information stored on how the fraudulent data was first received by a vendor. Further, no information associated with non-fraudulent data about the receipt of submission of the non-fraudulent data is stored by *Hillmer*. As such, the rejection of claim 1 under 35 U.S.C. §102 is believed to be overcome.

Furthermore, independent claim 16, as amended, has limitations similar to claim 1 and is asserted to also be allowable for at least the same reasons. Claims 2-3, 5-7, 9, 11-15 and 17-22 depend either directly or indirectly from claim 1 or claim 16 and are allowable for at least the same reasons as their base claim. Further, these dependent claims may each be patentable for their own limitations.

§ *103 Rejection of the Claims*

Claim 10 was rejected under 35 U.S.C. § 103(a) as being obvious over *Hillmer* in view of U.S. Patent No. 6,070,141 to Houvener et al. (*Houvener*). However, *Houvener* fails to make up

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for any of the deficiencies not found *Hillmer*. Therefore, since claim 10 depends from claim 1, it too is allowable for at least the same reasons as claim 1.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned representative at (408) 278-4051 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this ___3rd___ day of August, 2009.

_Chris Bartl_____   _____
Name   Signature